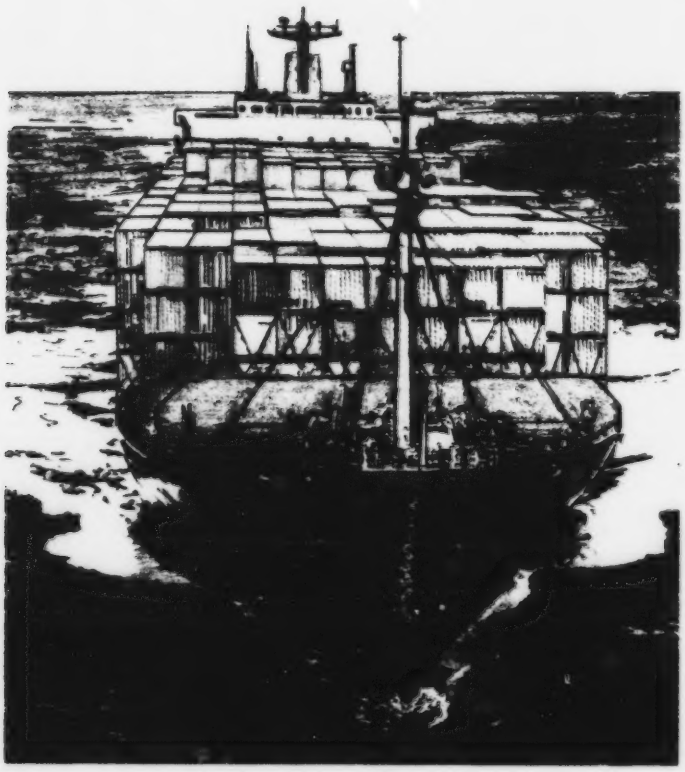
RECEIVED

Port of Halifax

Halifax - Dartmouth Port Development Commission

Annual Report



HALIFAX-DARTMOUTH
PORT DEVELOPMENT COMMISSION

ANNUAL REPORT

FOR THE FISCAL YEAR ENDING

MARCH 31, 1989

89-06426/

ANNUAL REPORT

Index

	Page
1. CHAIRMAN'S MESSAGE	2
2. PORT PERFORMANCE REVIEW	3
Cargo By Major Category	4
Vessel Calls	5
Container Traffic	6
Container Volumes 1984-1988	7
Break-Bulk General Cargo	8
Roll On / Roll Off Cargo	9
Bulk Cargo	10
Cruise Ships	11
Port Infrastructure	12
3. THE COMMISSION	
Overview	13
Objects	14,15
Organization Chart	16
Committee Structure	17
4. THE COMMISSION: ACTIVITIES AND ACHIEVEMENTS	
Marketing	18,19
Views On Legislative Issues	20,21
Research Activities	22
Other Activities	22
5. FINANCIAL STATEMENTS	

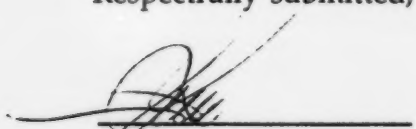
1. CHAIRMAN'S MESSAGE

I am pleased to present the 1988 annual report of the Halifax-Dartmouth Port Development Commission.

1988 was another successful year for the Port of Halifax as cargo records were achieved in several categories. Total tonnage handled at the port increased by 3 percent to 16.2 million tonnes. Containerized cargo showed the largest increase, 26.7 percent to 3.5 million tonnes. The addition of new port customers, Maersk Line, Evergreen Line, Costa Line and OOCL North Atlantic Service contributed significantly to our improved position. As well, our established customers improved their carryings during the year contributing to new records for containerized cargo.

We are anticipating that total tonnage will show a modest increase in 1989 over 1988, again fueled by containerized cargo. It is important to note that the Port of Halifax now handles more Canadian containerized cargo than any other port, has 23 regularly scheduled direct liner services and offers more sailings to more world ports than any other Canadian port.

Respectfully submitted,

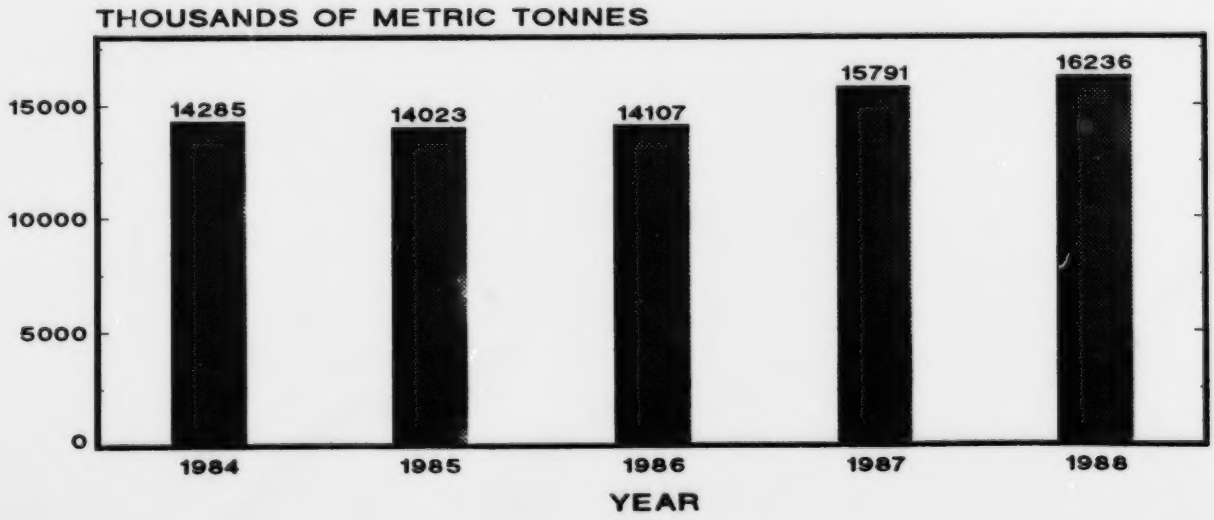


John L. Grice
Chairman

2. PORT PERFORMANCE REVIEW

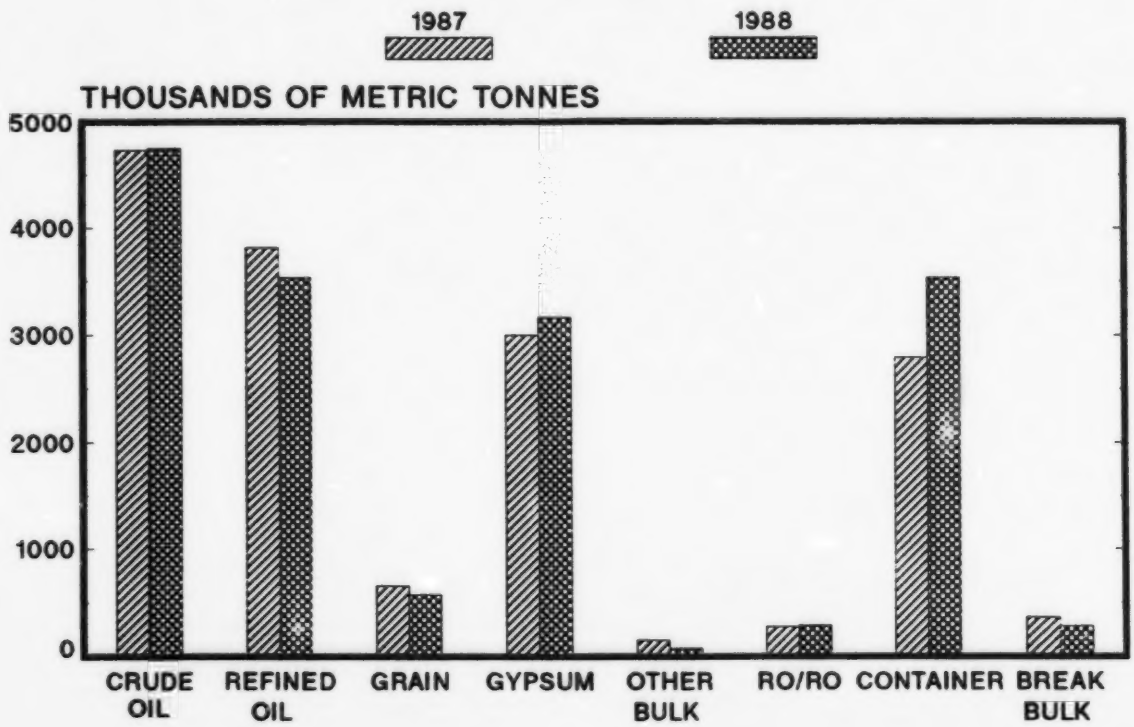
The Port of Halifax surpassed its record cargo volumes set in 1987. During 1988, 16.2 million tonnes of cargo moved through the Port. The increase resulted mainly from containerized cargo which was up by 26.7 percent. Roll on / roll off cargo increased by 4 percent and gypsum increased by 6 percent.

FIGURE 1
PORT OF HALIFAX - TOTAL CARGO 1984-88



CARGO BY MAJOR CATEGORY

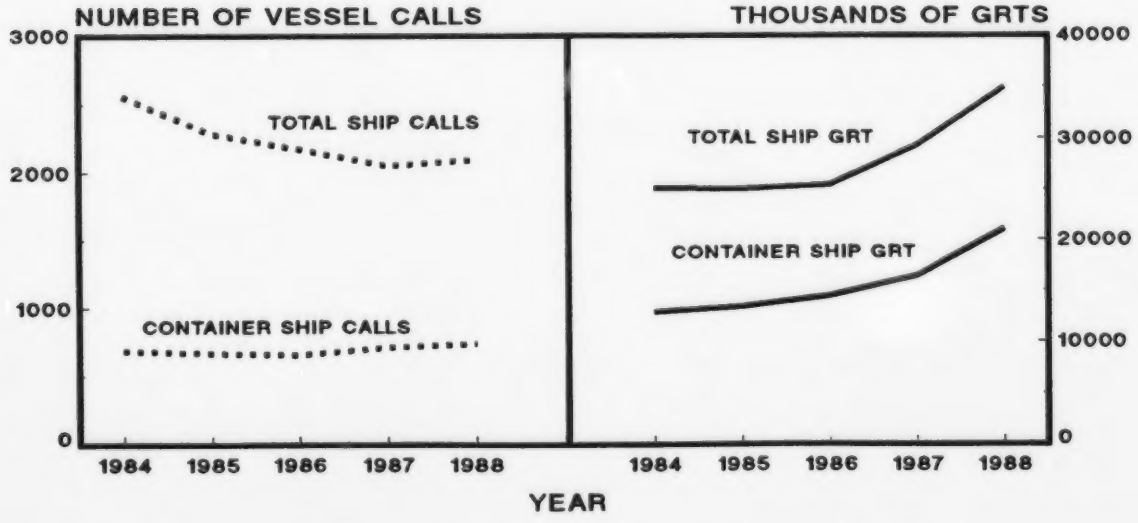
FIGURE 2
PORT OF HALIFAX - CARGO BY MAJOR CATEGORY



VESSEL CALLS

During 1988, the Port recorded 2096 vessel calls. Total gross registered tons (GRT) of vessels moving through the port in 1988 was 34,890,000 compared to 29,258,000 in 1987. There were 738 calls by container vessels in 1988 up from 712 calls recorded in 1987.

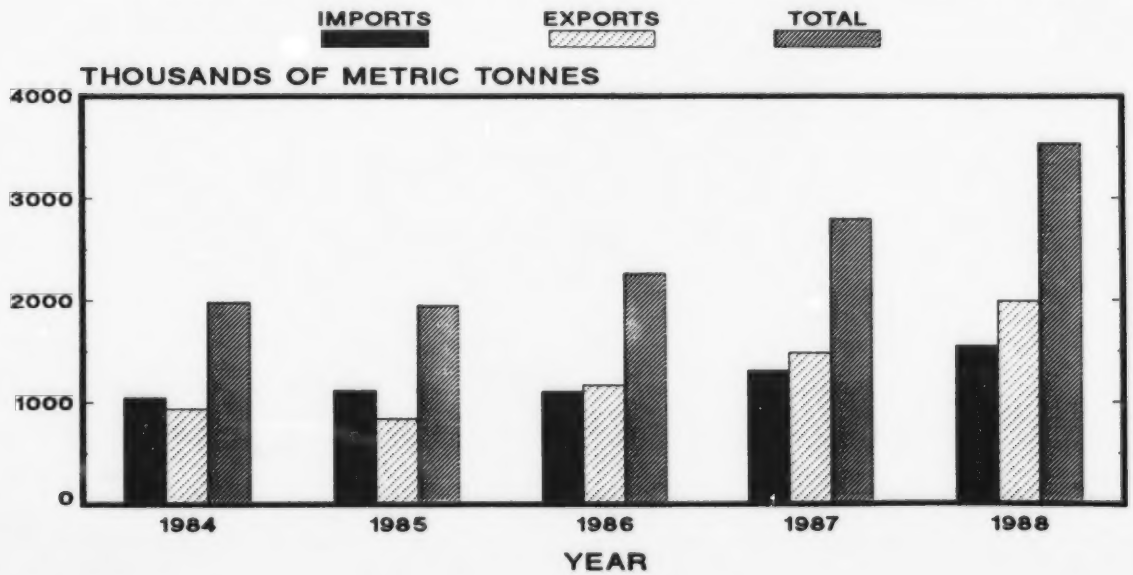
FIGURE 3
PORT OF HALIFAX - VESSEL CALLS 1984-88



CONTAINER TRAFFIC

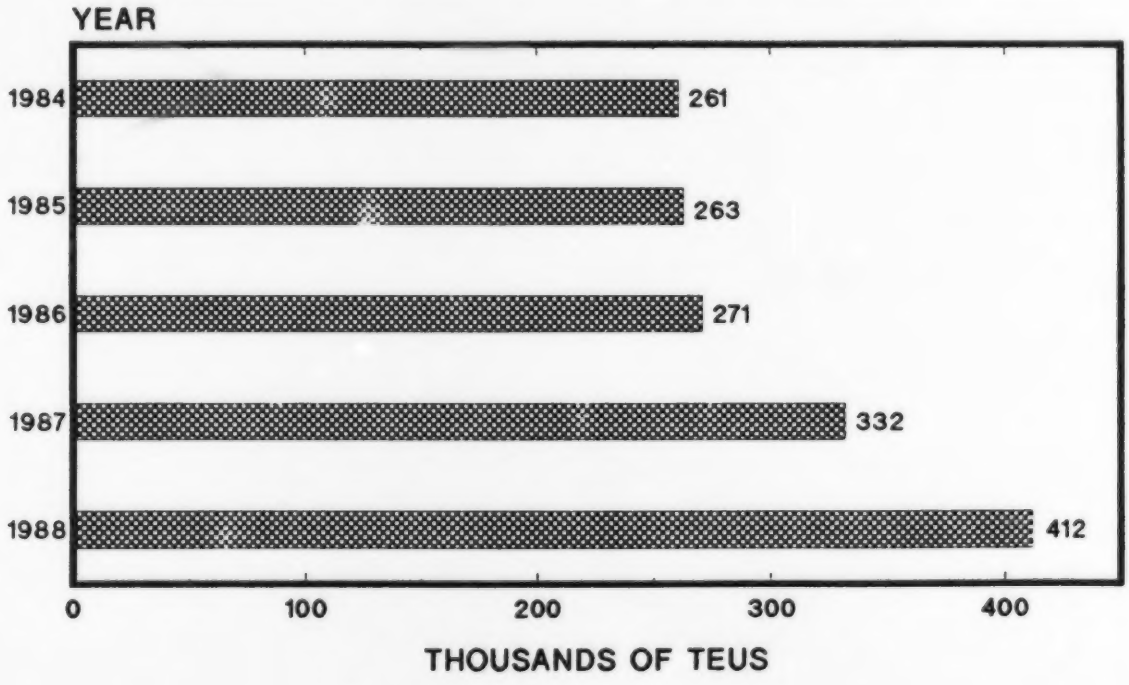
In 1988, the Port handled an unprecedented volume of containerized cargo totalling 3.5 million tonnes representing an increase of 26.7% over 1987. Twenty-foot equivalent container units (TEUs) totalled 412,166 compared to 331,766 handled in 1987. Exports again increased at a higher rate in 1988 compared to imports. Exports increased by 34.1% while imports increased by 18.3%, over 1987. The Port of Halifax handles more containerized cargo of Canadian origin and destination than any other port.

FIGURE 4
PORT OF HALIFAX - CONTAINER CARGO 1984-88



CONTAINER VOLUMES 1984 - 1988

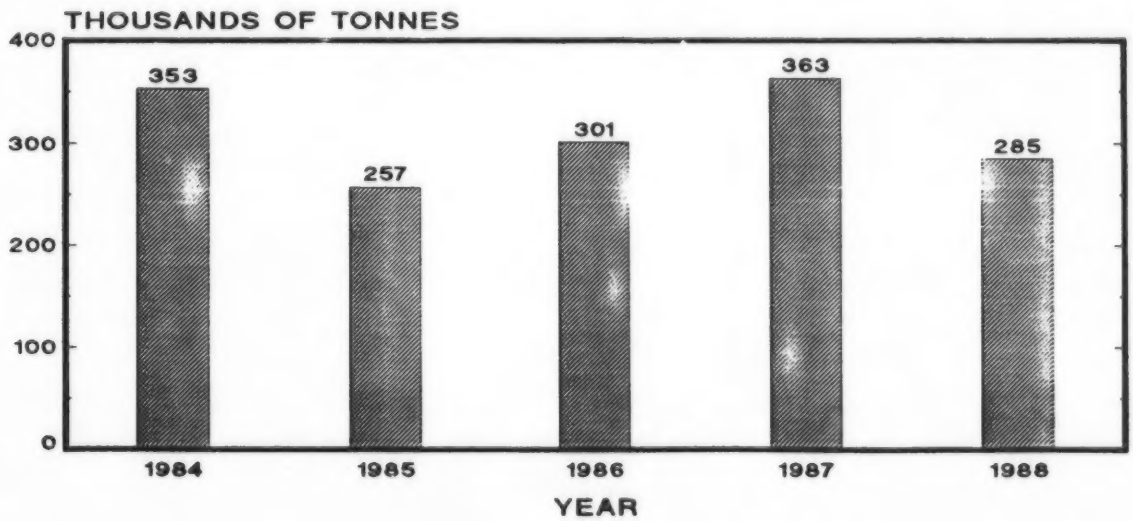
FIGURE 5
PORT OF HALIFAX - CONTAINER VOLUME 1984-88



BREAK-BULK GENERAL CARGO

Break-bulk cargo (excluding roll on / roll off cargo) decreased by 21.7% from 363,200 tonnes in 1987 to 284,500 tonnes in 1988. The decrease was mainly in flour shipments to Cuba.

FIGURE 6
PORT OF HALIFAX - BREAKBULK CARGO 1984-88

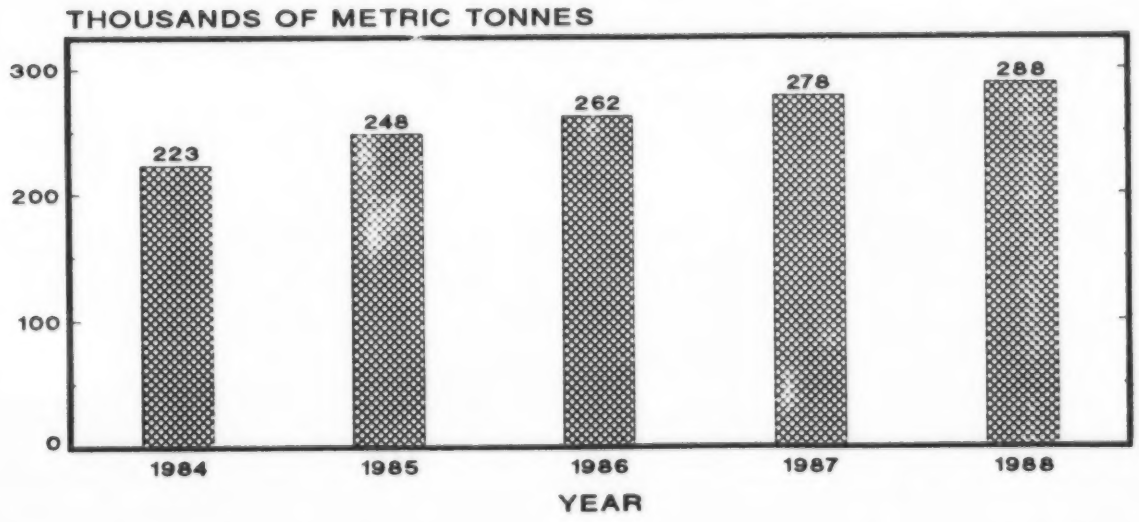


ROLL ON / ROLL OFF CARGO

Total roll on / roll off cargo increased by 4% from 277,600 tonnes in 1987 to 288,800 tonnes in 1988.

Autoport handled a total of 108,000 vehicles in 1988, compared to 123,000 in 1987.

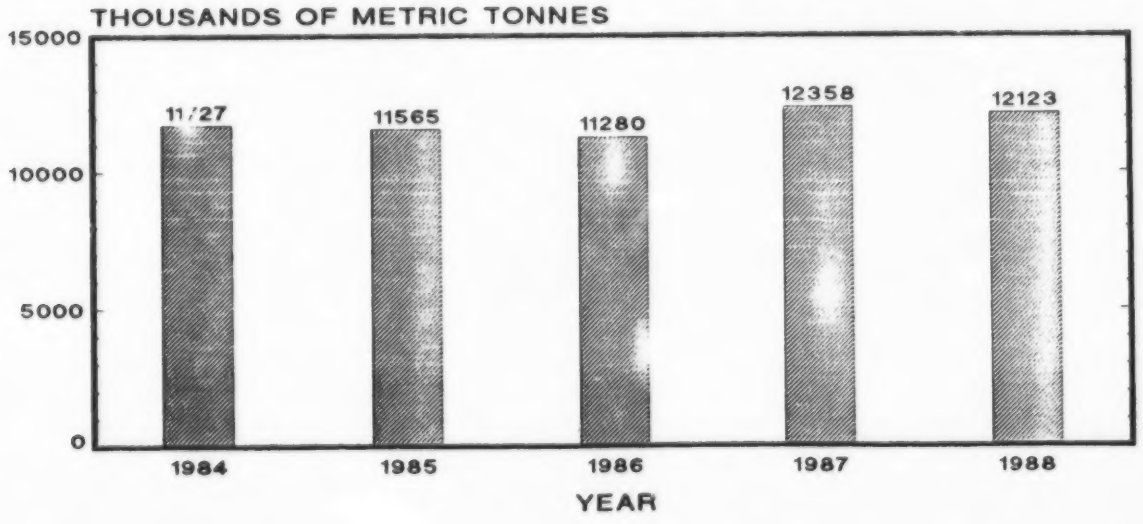
FIGURE 7
PORT OF HALIFAX - RO/RO CARGO 1984-88



BULK CARGO

Total bulk cargo decreased by 1.9%, from 12,357,576 tonnes in 1987 to 12,125,400 tonnes in 1988. There were increases in gypsum of 5.7% and crude oil of .3%. There were decreases in refined oil of 7.3%, grain 12.8%, other bulk 36.5%.

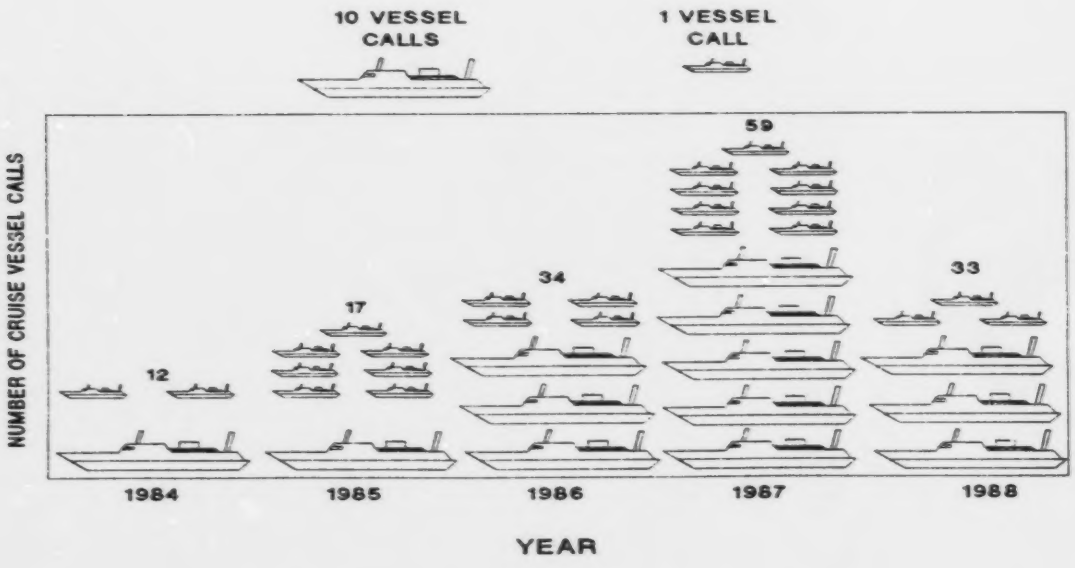
FIGURE 8
PORT OF HALIFAX - BULK CARGO 1984-88



CRUISE SHIPS

The number of Cruise Ships which called at the Port during 1988 totalled 33, down from 59 in 1987. The decrease is primarily due to the repositioning of vessels to the Mediterranean.

FIGURE 9
PORT OF HALIFAX - CRUISE VESSEL CALLS 1984-88



PORT INFRASTRUCTURE

Work was completed at Pier "C" Container Terminal operated by Halterm Ltd., extending the berth by 50 metres which allows two of the larger fourth generation vessels to dock at the same time.

Redevelopment of Pier "B" was started in 1988 and on completion it will become the third container terminal at the Port.

OTHER BUSINESS DEVELOPMENTS

Atlantic Searoute Ltd. added a second vessel to their service between Halifax and Newfoundland, increasing the number of calls to twice weekly, and adding a second port of call in Newfoundland at Corner Brook.

U.M. Shipping continues to provide a successful service between Halifax and Boston for transshipment cargo from ocean going customers of the port. Hapag-Lloyd also provides a regular weekly service between Halifax and Boston for transshipment cargo.

The Province of Nova Scotia removed the tax on bunker fuels in 1987 and sales increased to 96,000 tonnes from 19,000 tonnes in 1986. In 1988 sales increased a further 56% to 150,000 tonnes.

3. THE COMMISSION

A) OVERVIEW

The Halifax-Dartmouth Port Development Commission was incorporated under Chapter 6, Acts of 1984 by the General Assembly of Nova Scotia assented to by the Lieutenant Governor on the 11th of June, 1984.

Members of the Commission are appointed on a pro rata basis by the Province of Nova Scotia, City of Halifax, City of Dartmouth, Town of Bedford and the Municipality of the County of Halifax. Funding of the Commission's activities is provided by the Province of Nova Scotia, and the participating metropolitan area municipalities.

3. THE COMMISSION (Cont'd.)

B) OBJECTS OF THE COMMISSION

The objects of the Commission are :

(i) to promote the use of the Port of Halifax and its facilities;

(ii) to operate in close liaison and collaboration with the Halifax Port Corporation, all levels of government and government bodies, firms and individuals whose activities may in any way have a direct or indirect impact on the efficient functioning and cost effectiveness of the Port of Halifax;

(iii) to provide advice and guidance as required to all bodies referred to in clause (ii);

(iv) to develop and maintain a liaison and close working relationship with the users of the Port of Halifax facilities;

(v) to develop current information on trends in the field of transportation including shipping lines, ports, trucking, rail and air rates and charges, and on factors affecting ports in general and the Port of Halifax in particular;

3. THE COMMISSION (Cont'd.)

(vi) to develop and maintain an information bank for data relating to the marketing of the Port of Halifax;

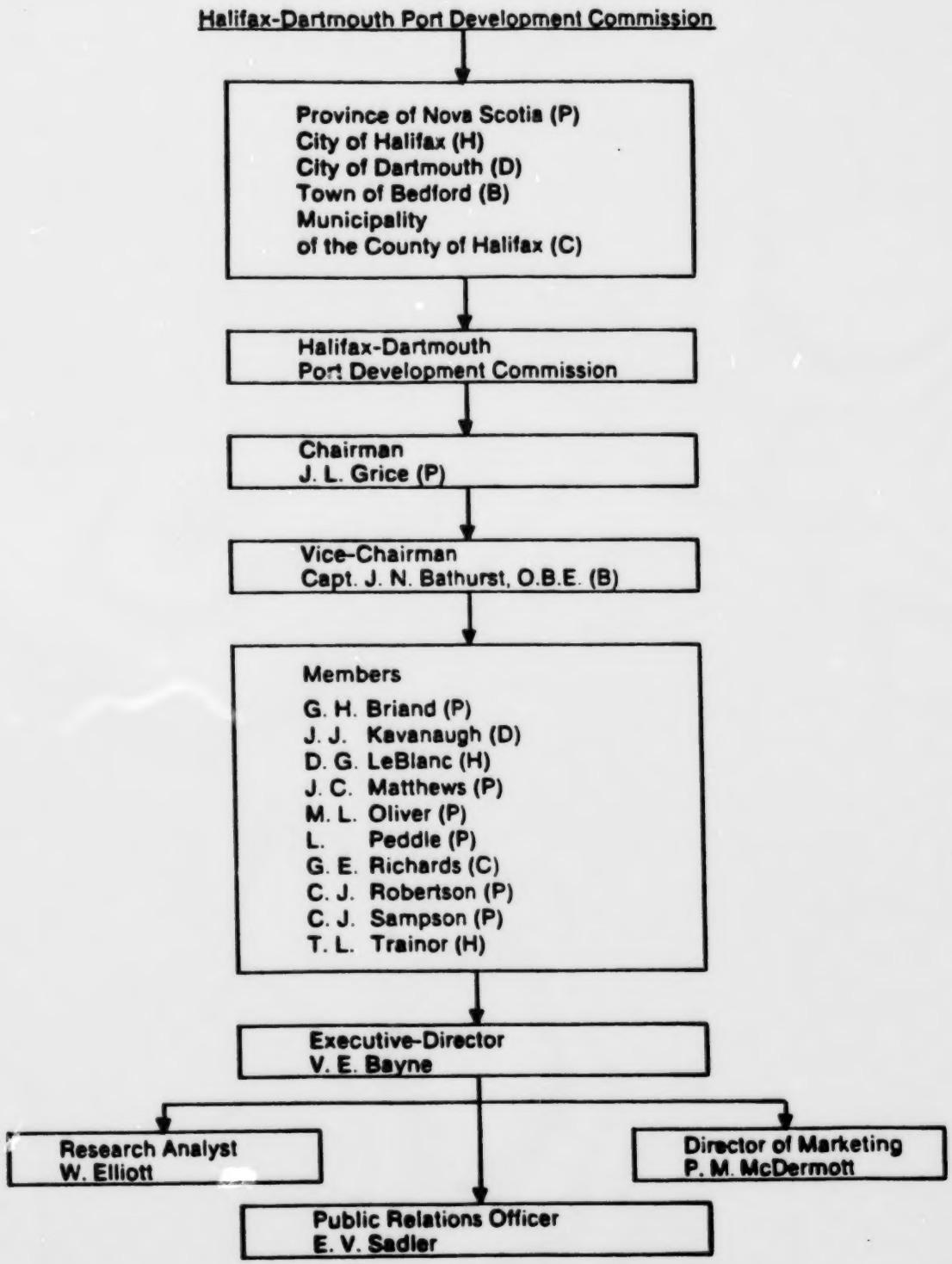
(vii) to evaluate data and to develop ideas and proposals for the development of the Port of Halifax and for enhancing the competitive position of the Port of Halifax;

(viii) to develop and maintain a current and long term marketing strategy and to execute such marketing programs;

(ix) to promote and facilitate development programs for the Port of Halifax;

3. THE COMMISSION (Cont'd)

c) Organization Chart



3. THE COMMISSION (Cont'd.)

D) COMMITTEE STRUCTURE

The Commission has established three Committees to divide its workload into meaningful parts:

(i) Management Committee

The members of the Committee are: G.E. Richards, Chairman; C.J. Robertson and J.J. Kavanaugh. The Committee works with the Executive-Director in preparing budgets and reviewing financial statements, as well as developing recommendations on personnel and general administration policies.

(ii) Development Committee

The members of this Committee are: T.L. Trainor, Chairman; Capt. J.N. Bathurst, O.B.E.; Capt. J.C. Matthews and C.J. Sampson. The Committee works on the development of policies and programs that protect and improve the infrastructure of the Port and its operations.

(iii) Promotion Committee

The members of this Committee are: L. Peddle, Chairman; G.H. Briand; M.L. Oliver; D.G. LeBlanc and C.J. Robertson. The Committee works on the development of policies and programs that will effectively promote the facilities of the Port.

Committees meet when necessary and bring recommendations to the Board of the Commission. The Commission has at least ten regular meetings a year.

4. THE COMMISSION: ACTIVITIES AND ACHIEVEMENTS

(A) MARKETING

During 1988, the Commission participated in a wide range of promotional and research activities to achieve its mandate. These activities are discussed below:

1) Direct solicitation of shipping lines and steamship agents in Montreal, Toronto, New York, Europe and the Far East: Solicitation has focussed upon the advantages of the "via Halifax" route over alternate routings especially New York and other U.S. East Coast ports. Over the past several years the Commission has played an active role in successfully attracting new container lines. These lines include Orient Overseas Container Line; Kawasaki Kisen Kaisha Ltd. (K-Line); ACT/Pace; Ocean Star Container Line; Scancarriers; The Shipping Corp. of Trinidad and Tobago; Neptune Orient Line, and most recently, Maersk Line and Evergreen Marine Corp. in conjunction with Costa Line; and OOCL North Atlantic Service. In addition to the overall increase of traffic through the Port, the acquisition of these services has significantly broadened the Port's range of liner services particularly on the Far East and Australasia trade routes.

The Commission staff have had meetings with Italian Line concerning the extension of their services to Halifax. Italian Line currently calls at the Port of Montreal in a joint service with Canada Maritime.

4. THE COMMISSION: ACTIVITIES AND ACHIEVEMENTS (Cont'd.)

2) Publication of the Port of Halifax magazine on a monthly frequency; distribution is approximately 5500 and is local, national and international in nature.

3) Organization of Port Days '88 on September 11 and 12 with over 770 participants involved in the transportation industry - locally, nationally and internationally. In addition to a variety of social functions, Port Days '88 included a panel discussion by an international panel of experts who considered developments in transportation technologies and their implications for the Port of Halifax.

4) The Commission hosted a spring promotional reception in Toronto for shipping companies and their agents as well as large shippers in the Toronto area.

5) The Commission hosted a December luncheon reception in New York for key North American shipping line executives.

6) In the spring of 1988, a reception was held in Boston onboard the Bluenose II. The event was well attended by steamship representatives and New England shippers.

7) In early '88, work was begun on a new advertising campaign, which was launched in the '88/'89 fiscal year.

4. THE COMMISSION: ACTIVITIES AND ACHIEVEMENTS (Cont'd.)

(B) PRESENTATION OF VIEWS ON VARIOUS LEGISLATIVE ISSUES

1) Representations to Federal Government policy makers over the past two years concerning transportation deregulation which became effective January 1, 1988: The basic concern of the Commission is the fate of the Port of Halifax in a deregulated rail environment.

2) Representations to the Canadian Transport Commission concerning the rate setting policy of the Atlantic Pilotage Authority (APA): The Commission's main concern is that the APA policy of cross subsidization means that Halifax is subsidizing unprofitable ports in the Atlantic Pilotage system to the detriment of the Port's competitive position worldwide.

3) Submission to the House of Commons Standing Committee on Finance, Trade and Economic Affairs and the Senate Standing Committee on Banking, Trade and Commerce on the subject of Tax Reform: The Commission is concerned that the proposed tax on domestic and international freight transportation in the context of Federal sales tax reform may lead to the diversion of Canadian cargoes through U.S. ports and adversely affect regional economic development.

4. THE COMMISSION: ACTIVITIES AND ACHIEVEMENTS (Cont'd.)

4) Submission to Transport Canada on proposed Cost Recovery Guidelines and Principles: It has long been the Commission's view that the absence of user pay for ice-breaking, dredging and navaids artificially distorts the competitive positions of the Atlantic vs. St. Lawrence River ports. The Commission's representations argue for a cost recovery scheme applied on a regional and site-specific (rather than system-wide) basis such that users bear a fair share of the costs of facilities and services provided for their benefit.

5) In addition to the formal briefs submitted on various policy and legislative issues, the Commission has had correspondence with both federal and provincial Ministers relating the Port's concerns on such issues as Free Trade and Maritime Transportation and Canadian cruise ship policy.

4. THE COMMISSION: ACTIVITIES AND ACHIEVEMENTS (Cont'd.)

D) RESEARCH ACTIVITIES

Finally, the Commission conducts ongoing statistical research for its own use and for the use of existing and potential port clients. Other ongoing research monitors the competitive position of Halifax vis a vis other ports.

E) OTHER ACTIVITIES

The Commission remains keenly interested in developments in rail car technology. The Commission carried out a study to assess the feasibility of a double-stack rail system between the Port and Central Canada, and held meetings with the Canadian National Railway and shipping lines to discuss the results of the study. Canadian National have announced that they will commence double-stack rail service to Halifax during 1989.

HALIFAX-DARTMOUTH PORT DEVELOPMENT COMMISSION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 1989

Coopers
&Lybrand

Coopers & Lybrand

chartered accountants

Founders Square
1701 Hollis Street
Halifax, Nova Scotia
Canada B3J 3M8

telephone (902) 425-6190
fax (902) 425-1095

a member firm of
Coopers & Lybrand (International)

May 12, 1989

Auditors' Report
To The Board of Directors

We have examined the balance sheet of Halifax-Dartmouth Port Development Commission as at March 31, 1989 and the statements of fund balances and operating fund revenue and expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1989 and the results of its operations for the year then ended in accordance with the accounting principles set out in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

HALIFAX-DARTMOUTH PORT DEVELOPMENT COMMISSION

BALANCE SHEET AS AT MARCH 31, 1989

	1989 $	1988 $
OPERATING FUND		
ASSETS		
Cash	103,725	123,561
Accounts receivable	56,690	2,621
Prepaid expenses	9,100	3,000
	169,515	129,182
LIABILITIES AND FUND BALANCE		
Accounts payable	122,852	50,699
Reserve for contingencies (note 2)	39,000	74,000
Fund balance	7,663	4,483
	169,515	129,182
CAPITAL FUND		
ASSETS		
Fixed assets, at cost -		
Leasehold improvements	30,556	30,556
Office equipment	61,715	50,072
	92,271	80,628
LIABILITIES AND FUND BALANCE		
Obligations under capital leases (note 3)	23,165	31,019
Fund balance	69,106	49,609
	92,271	80,628

SIGNED ON BEHALF OF THE BOARD

Director

Director

Coopers &Lybrand

HALIFAX-DARTMOUTH PORT DEVELOPMENT COMMISSION

STATEMENT OF FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 1989

	1989 $	1988 $
OPERATING FUND		
FUND BALANCE - BEGINNING OF YEAR	4,483	1,805
Excess of revenue over expenses, allocations and appropriations for the year	3,180	2,678
FUND BALANCE - END OF YEAR	7,663	4,483
CAPITAL FUND		
FUND BALANCE - BEGINNING OF YEAR	49,609	53,194
Capital expenditures made from operating fund - net	19,497	(3,585)
FUND BALANCE - END OF YEAR	69,106	49,609

Coopers
&Lybrand

HALIFAX-DARTMOUTH PORT DEVELOPMENT COMMISSION

STATEMENT OF OPERATING FUND REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 1989

	1989	1988
REVENUE	$	$
Cost-shared funding	675,100	651,000
Port day	93,693	83,958
Recovered costs	71,512	10,000
Port directory	37,581	-
Port bulletin	20,569	19,934
Interest income	17,659	20,121
Other	-	1,775
	916,114	786,788
OPERATING EXPENSES (Schedule)	893,437	737,695
	22,677	49,093
ALLOCATIONS TO CAPITAL FUND		
Payments on obligations under capital lease	7,854	8,250
Office equipment purchases	11,643	-
Office equipment disposals, net of proceeds on disposition	-	(11,835)
	19,497	(3,585)
	3,180	52,678
APPROPRIATION FOR CONTINGENCIES (note 2)	-	50,000
EXCESS OF REVENUE OVER EXPENSES, ALLOCATIONS AND APPROPRIATIONS FOR THE YEAR	3,180	2,678

Coopers &Lybrand

HALIFAX-DARTMOUTH PORT DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1989

1. ACCOUNTING POLICIES

General accounting

The accounts of the Commission are kept on an accrual basis.

Depreciation

Depreciation of fixed assets is not provided for in the accounts of the Commission.

2. RESERVE FOR CONTINGENCIES

The Commission has appropriated funds for extraordinary costs to be incurred with respect to its promotional activities and professional services.

3. OBLIGATIONS UNDER CAPITAL LEASES

The following is a schedule of the future minimum lease payments under capital leases, together with the balance of the obligations. The leases expire in 1990 and 1992.

	$
Year ending March 31, 1990	10,929
1991	9,907
1992	9,907
Total minimum lease payments	30,743
Less: Amount representing interest	(7,578)
	23,165

4. OPERATING LEASE

The Commission has an operating lease commitment for premises requiring minimum annual lease payments of $51,198 until 1990.

HALIFAX-DARTMOUTH PORT DEVELOPMENT COMMISSION

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED MARCH 31, 1989

	1989 $	1988 $
Accounting fees	4,675	7,600
Audit	3,435	2,742
Car allowance and parking	8,002	8,380
Commission lunches	1,729	2,188
Consulting services	41,510	7,739
Directors' expenses	6,528	4,431
Directors' fees	35,283	40,650
Employee benefits	28,167	22,828
Hospitality	3,729	4,370
Insurance	509	560
Interest and bank charges	6,716	7,580
Legal fees	-	3,811
Loss on disposal of equipment	-	5,783
Marketing services	15,340	13,274
Media advertising	46,227	32,167
Membership dues	5,308	3,014
Messenger and deliveries	2,856	3,601
Office furnishings - rental and maintenance	14,545	19,742
Office rent	57,794	57,760
Office supplies	4,406	2,907
Periodicals	5,551	4,149
Photocopies	1,903	1,340
Port bulletin	92,926	80,840
Port day	80,917	78,123
Port directory	60,102	-
Postage	4,856	4,141
Publicity	44,871	21,942
Recruitment	-	3,846
Salaries	216,522	204,711
Staff travel	75,882	67,839
Sundry office	2,861	1,699
Telecommunications	20,287	17,938
	893,437	737,695

Coopers
&Lybrand